

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION**

IN RE:	§	
	§	
PAYSON PETROLEUM 3 WELL, LP,	§	Case No. 17-40179
	§	Chapter 7
DEBTOR.	§	

JASON R. SEARCY, CHAPTER 11, TRUSTEE FOR PAYSON PETROLEUM, INC.,	§	
	§	
	§	
	§	
Plaintiff,	§	
	§	
vs.	§	Adversary No. _____
	§	
ACME ENERGY COMPANY, LLC, ET AL.,	§	
	§	
Defendants.	§	

**ORIGINAL COMPLAINT AGAINST GENERAL PARTNERS OF
PAYSON PETROLEUM 3 WELL, L.P.**

COMES NOW, Jason R. Searcy, chapter 11 Trustee (the “Trustee”) for the bankruptcy estate of Payson Petroleum, Inc. and files this Original Complaint against the General Partners of Payson Petroleum 3 Well, L.P. and alleges as follows:

**I.
Introduction**

1. This adversary proceeding against the general partners of Payson Petroleum 3 Well, L.P. is brought under 11 U.S.C. § 723 and FED. R. BANKR. P. 7001. The Trustee has standing to assert the claims brought herein by virtue of the Court’s *Agreed Order Granting Joint Motion to Approve Compromise and Settlement Pursuant to Bankruptcy Rule 9019*. See Docket No. 37 in Bankruptcy Case No. 17-40179.

II. **Jurisdiction and Venue**

2. This Court has jurisdiction over this adversary proceeding pursuant to 28 U.S.C. §§ 157 and 1334. This adversary proceeding arises under the United States Bankruptcy Code and is a core proceeding pursuant to 28 U.S.C. § 157 (b)(2)(A) & (O). Venue of this adversary proceeding is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.

III. **Parties**

3. Plaintiff is Jason R. Searcy, chapter 11 Trustee for Payson Petroleum, Inc. in the Chapter 11 Bankruptcy Case of *In re Payson Petroleum, Inc., et al.*, Bankruptcy Case No. 16-41044.

4. GP Defendants. The “GP Defendants” are general partners of Payson Petroleum 3 Well, L.P. (the “Partnership Debtor”), all of whom conducted business in the state of Texas by entering into one or more contracts with Debtor—a Texas limited partnership—to become a general partner of the Partnership Debtor. The performance of the contracts was to occur in whole or in part in the state of Texas, including without limitation the acquisition, drilling, and completion of oil and gas wells in Grayson County, Texas. The GP Defendants obtained certain tax benefits by electing to participate as general partners of the Partnership Debtor and agreed, *inter alia*, to joint and several liability for the Partnership Debtor’s obligations. The GP Defendants are:

1. Acme Energy Company, LLC, an Oklahoma limited liability company which may be served with process through Gary W. Crews, Registered Agent, by first class mail at his usual place of abode or place where he regularly conducts business at 1795 East 71st Street, Tulsa, OK 74136.
2. 4 in 1 LLC, an Arizona limited liability company, which may be served with process through The Ribadeneira Law Offices PC, Registered Agent, by first class mail at its usual place of abode or place where it regularly conducts business at 9590 E. Ironwood Square Dr., Suite 105, Scottsdale, AZ 85258.

3. Ronald L. Adams, a natural person residing in the state of Missouri. Ronald L. Adams may be served with process by first class mail at his usual place of abode or place where he regularly conducts business at 115 Ravenhill Drive, Highlandville, MO 65669.
4. Libbie Marie Adams, a natural person residing in the state of Missouri. Libbie Marie Adams may be served with process by first class mail at her usual place of abode or place where she regularly conducts business at 115 Ravenhill Drive, Highlandville, MO 65669.
5. Gary W. Amerson, a natural person residing in the state of Texas. Gary W. Amerson may be served with process by first class mail at his usual place of abode or place where he regularly conducts business at 5502 Challenger Court, Rockwall, TX 75032
6. Joseph A. Arpino, a natural person residing in the state of Connecticut. Joseph A. Arpino may be served with process by first class mail at his usual place of abode or place where he regularly conducts business at 104 Laveny Lane, Milford, CT 06460.
7. Carol A. Arpino, a natural persons residing in the state of Connecticut. Carol A. Arpino may be served with process by first class mail at her usual place of abode or place where she regularly conducts business at 104 Laveny Lane, Milford, CT 06460.
8. Ronald E. Barfield, a natural person residing in the state of Texas. Ronald E. Barfield may be served with process by first class mail at his usual place of abode or place where he regularly conducts business at 700 W. Harwood Road, Ste. A, Hurst, TX 76054 or at 408 Cannon, Hurst, TX 76054.
9. BESCO Family Investments, LLC, a Texas limited liability company, which may be served with process through Nathan Sanders, Registered Agent, by first class mail at his usual place of abode or place where he regularly conducts business at 3309 Mansfield Highway, Fort Worth, TX 76119.
10. Joseph L. Bolin, a natural person residing in the state of Texas. Joseph L. Bolin may be served with process by first class mail at his usual place of abode or place where he regularly conducts business at 3830 Rice Blvd., Houston, TX 77074.
11. Bobby J. Bowland, a natural person residing in the state of Texas. Bobby J. Bowland may be served with process by first class mail at his usual place of abode or place where he regularly conducts business at 1220 Vera Lane, Kennedale, TX 76060.

12. Terri A. Bowland, a natural person residing in the state of Texas. Terri A. Bowland may be served with process by first class mail at her usual place of abode or place where she regularly conducts business at 1220 Vera Lane, Kennedale, TX 76060.
13. Janis M. Bridges, a natural person residing in the state of Texas. Janis M. Bridges may be served with process by first class mail at her usual place of abode or place where she regularly conducts business at 2817 Fossil Run Blvd., Fort Worth, TX 76131.
14. Carl R. Brumley, a natural person residing in the state of Texas. Carl R. Brumley may be served with process by first class mail at his usual place of abode or place where he regularly conducts business at 4801 Washburn Avenue, Fort Worth, TX 76107.
15. Warren V. Bush, a natural person residing in the state of New Mexico. Warren V. Bush may be served with process by first class mail at his usual place of abode or place where he regularly conducts business at 9812 Talea Ct. N.E., Albuquerque, NM 87122 and/or at P.O. Box 80140, Keller, Texas 76244.
16. Fay L. Bush, a natural person residing in the state of New Mexico. Fay L. Bush may be served with process by first class mail at her usual place of abode or place where she regularly conducts business at 9812 Talea Ct. N.E., Albuquerque, NM 87122 and/or at P.O. Box 80140, Keller, Texas 76244.
17. Alan J. Careddu, a natural person residing in the state of Connecticut. Alan J. Careddu may be served with process by first class mail at his usual place of abode or place where he regularly conducts business at 32 Lasky Road, Beacon Falls, CT 06403.
18. Timothy L. Carman, a natural person residing in the state of Texas. Timothy L. Carman may be served with process by first class mail at his usual place of abode or place where he regularly conducts business at 2215 River Ridge Road, Arlington, TX 76017.
19. James Daniel Carroll, Jr., a natural person residing in the state of Texas. James Daniel Carroll, Jr. may be served with process by first class mail at his usual place of abode or place where he regularly conducts business at 2505 Ridgmoor Court, Arlington, TX 76016.
20. Albert S. Carse, a natural person residing in the state of Texas. Albert S. Carse may be served with process by first class mail at his usual place of abode or place where he regularly conducts business at 7000 Brierhill Court, Fort Worth, TX 76132.

21. Audrey M. Carse, a natural person residing in the state of Texas. Audrey M. Carse may be served with process by first class mail at her usual place of abode or place where she regularly conducts business at 7000 Brierhill Court, Fort Worth, TX 76132.
22. Jeffrey D. Carter, D.O., a natural person residing in the state of Texas. Jeffrey D. Carter, D.O. may be served with process by first class mail at his usual place of abode or place where he regularly conducts business at 800 Orthopedic Way, Arlington, TX 76015 or at 2300 Bradwood Court, Arlington, TX 76011.
23. Brian Cepetelli, a natural person residing in the state of Connecticut. Brian Cepetelli may be served with process by first class mail at his usual place of abode or place where he regularly conducts business at 37 Parkway Terrace, Milford, CT 06461.
24. Monica Cepetelli, a natural person residing in the state of Connecticut. Monica Cepetelli may be served with process by first class mail at her usual place of abode or place where she regularly conducts business at 37 Parkway Terrace, Milford, CT 06461.
25. Kenneth Cheung, a natural person residing in the state of Texas. Kenneth Cheung may be served with process by first class mail at his usual place of abode or place where he regularly conducts business at 3902 Coulter Court, Arlington, TX 76016.
26. Timothy B. Cypert, a natural person residing in the state of Texas. Timothy B. Cypert may be served with process by first class mail at his usual place of abode or place where he regularly conducts business at 703 Jackson Street, Rockwall, TX 75087 or at 599 Miramar St. Rockwall, TX 75087.
27. Carrie R. Dahmer Revocable Trust, is a Missouri trust which may be served through its co-trustee Tarry D. Dahmer, Co-Trustee by first class mail at his usual place of abode or place where he regularly conducts business at 2400 SW Wintercreek Ct., Lee's Summit, MO 64081.
28. Joel R. Dow, a natural person residing in the state of Texas. Joel R. Dow may be served with process by first class mail at his usual place of abode or place where he regularly conducts business at 8816 Calera Drive, Austin, TX 78735.
29. Eric Eaton, a natural person residing in the state of Florida. Eric Eaton may be served with process by first class mail at his usual place of abode or place where he regularly conducts business at 655 Appaloosa Road, Tarpon Springs, FL 34688.

30. Albert L. Edwards, Jr., a natural person residing in the state of Connecticut. Albert L. Edwards, Jr. may be served with process by first class mail at his usual place of abode or place where he regularly conducts business at 778 Old Stratfield Road, Fairfield, CT 06825.
31. Mary Louise M. Edwards, a natural person residing in the state of Connecticut. Mary Louise M. Edwards may be served with process by first class mail at her usual place of abode or place where she regularly conducts business at 778 Old Stratfield Road, Fairfield, CT 06825.
32. The Kurt & Linda Erickson Estate Trust ddt 12-31-1994, is an Arizona trust which may be served with process through its trustee Kurt E. Erikson, Trustee, by first class mail at his usual place of abode or place where he regularly conducts business at 4848 E. Milton Drive, Cave Creek, AZ 85331.
33. George W. Faris III, a natural person residing in the state of Texas. George W. Faris III may be served with process by first class mail at his usual place of abode or place where he regularly conducts business at 6650 Trinity Heights Blvd., Fort Worth, TX 76132.
34. Flynt Family Incorporated, a Texas corporation, which may be served with process through Ed Allen, Registered Agent, by first class mail at his usual place of abode or place where he regularly conducts business at 807 Bluebonnet Dr., Ste A, Keller, TX 76248.
35. Ryan Grossman, a natural person residing in the state of Maryland. Ryan Grossman may be served with process by first class mail at his usual place of abode or place where he regularly conducts business at 207 Mt. Oak Place, Annapolis, MD 21409.
36. Luis Gonzalez, a natural person residing in the state of Texas. Luis Gonzalez may be served with process by first class mail at his usual place of abode or place where he regularly conducts business at 2701 North Grapevine Mills Blvd., Apt. 222, Grapevine, TX 76051.
37. Noral Gregory and Juanita Gregory Revocable Trust is a Texas trust which may be served with process through its trustees Noral Gregory and Juanita Gregory, Trustees, by first class mail at their usual place of abode or place where they regularly conduct business at 2881 Oakbriar Trail, Fort Worth, TX 76109.
38. Helen M. Hale, a natural person residing in the state of Florida. Helen M. Hale may be served with process by first class mail at her usual place of abode or place where she regularly conducts business at 1166 Hillsboro Mile #7, Hillsboro Beach, FL 33062.

39. Marc Henn, a natural person residing in the state of Ohio. Marc Henn may be served with process by first class mail at his usual place of abode or place where he regularly conducts business at 5819 Glenview Avenue, Cincinnati, OH 45224.
40. Thomas J. Hinshaw, a natural person residing in the state of Indiana. Thomas J. Hinshaw may be served with process by first class mail at his usual place of abode or place where he regularly conducts business at 9985 Raintree Drive N, Columbus, IN 47201.
41. Thomas J. Hoppe, a natural person residing in the state of Florida. Thomas J. Hoppe may be served with process by first class mail at his usual place of abode or place where he regularly conducts business at 11051 Dormie Drive, San Antonio, FL 33576.
42. Hupakoe, LLC, is a Texas limited liability company, which can be served with process through Kelly Dean Sanders, Registered Agent, President, Secretary, by first class mail at his usual place of abode or place where he regularly conducts business at 3602 Vista Chase Court, Arlington, TX 76001.
43. Barbara Fraus Jacquin, a natural person residing in the state of Texas. Barbara Fraus Jacquin may be served with process by first class mail at her usual place of abode or place where she regularly conducts business at 109 Winter Drive, Georgetown, TX 78633.
44. John C. Johnson, a natural person residing in the state of Texas. John C. Johnson may be served with process by first class mail at his usual place of abode or place where he regularly conducts business at 6154 Haley Lane, Fort Worth, TX 76132 or at 6766 Silver Saddle Rd., Fort Worth, TX 76126.
45. KAPAA LLC, an Arizona limited liability company, which may be served with process through Denise Potempa, Registered Agent, by first class mail at her usual place of abode or place where she regularly conducts business at 10865 E San Salvador, Scottsdale, AZ 85259.
46. Rickey D. Kelman & Wendy L. Kelman Family Trust, is an Arizona trust which may be served with process through co-trustees Rickey D. Kelman & Wendy L. Kelman, Co-Trustees, by first class mail at their usual place of abode or place where they regularly conduct business at 3120 E. Puget Avenue, Phoenix, AZ 85028.
47. William Kloster, a natural person residing in the state of Texas. William Kloster may be served with process by first class mail at his usual place of abode or place where he regularly conducts business at 112 Tres Vistas Court, Cresson, TX 76035.

48. Bradley J. Kubik, a natural person residing in the state of Iowa. Bradley J. Kubik may be served with process by first class mail at his usual place of abode or place where he regularly conducts business at 5639 Glen Oaks Pt., West Des Moines, IA 50266.
49. Michael N. Kusheba, a natural person residing in the state of Connecticut. Michael N. Kusheba may be served with process by first class mail at his usual place of abode or place where he regularly conducts business at 235 Deerfield Drive, Stratford, CT 06614.
50. Reinhardt J. Lange, a natural person residing in the state of Connecticut. Reinhardt J. Lange may be served with process by first class mail at his usual place of abode or place where he regularly conducts business at 136 Benedict Avenue, Fairfield, CT 06430.
51. Merlee L. Lange, a natural person residing in the state of Connecticut. Merlee L. Lange may be served with process by first class mail at her usual place of abode or place where she regularly conducts business at 136 Benedict Avenue, Fairfield, CT 06430.
52. Roland E. Lentz Revocable Living Trust, is a Nebraska trust which may be served with process through its trustee Ronald E. Lentz, Trustee, by first class mail at his usual place of abode or place where he regularly conducts business at 1521 Vintage Hill Road, Wayne, NE 68787.
53. Kenneth M. Lowe, a natural person residing in the state of Florida. Kenneth M. Lowe may be served with process by first class mail at his usual place of abode or place where he regularly conducts business at 1504 Dolorosa Court, The Villages, FL 32158.
54. Patricia A. Lowe, a natural person residing in the state of Florida. Patricia A. Lowe may be served with process by first class mail at her usual place of abode or place where she regularly conducts business at 1504 Dolorosa Court, The Villages, FL 32158.
55. Revocable Living Trust Agreement of Rebecca A. Lowe, is a Missouri trust which may be served with process through its trustee Rebecca Lowe, Trustee, by first class mail at her usual place of abode or place where she regularly conducts business at 4628 S. Winsor Drive, Battlefield, MO 65619.
56. Theodore T. Lung, a natural person residing in the state of Illinois. Theodore T. Lung may be served with process by first class mail at his usual place of abode or place where he regularly conducts business at 1839 E. 2453rd Lane, Camp Point, IL 62320.

57. David Lyons, a natural person residing in the state of Texas. David Lyons may be served with process by first class mail at his usual place of abode or place where he regularly conducts business at 2121 Pinwood Circle, Arlington, TX 76001.
58. Lora Lyons, a natural person residing in the state of Texas. Lora Lyons may be served with process by first class mail at her usual place of abode or place where she regularly conducts business at 2121 Pinwood Circle, Arlington, TX 76001
59. Dana L. Markovics, a natural person residing in the state of Connecticut. Dana L. Markovics may be served with process by first class mail at her usual place of abode or place where she regularly conducts business at 220 Oronoque Road, Milford, CT 06461.
60. Glen M. Markovics, a natural person residing in the state of Connecticut. Glen M. Markovics may be served with process by first class mail at his usual place of abode or place where he regularly conducts business at 42 Parkway Terrace, Milford, CT 06461.
61. Monica Markovics, a natural person residing in the state of Connecticut. Monica Markovics may be served with process by first class mail at her usual place of abode or place where she regularly conducts business at 37 Parkway Terrace, Milford, CT 06461.
62. Alvin McCool, a natural person residing in the state of Texas. Alvin McCool may be served with process by first class mail at his usual place of abode or place where he regularly conducts business at 1033 Creek Hollow Lane, Fort Worth, TX 76131.
63. Jerry Ann McCool, a natural person residing in the state of Texas. Jerry Ann McCool may be served with process by first class mail at her usual place of abode or place where she regularly conducts business at 1033 Creek Hollow Lane, Fort Worth, TX 76131.
64. Mark J. Modlin, a natural person residing in the state of Texas. Mark J. Modlin may be served with process by first class mail at his usual place of abode or place where he regularly conducts business at 4005 Kenosha Road, Plano, TX 75024.
65. Timothy H. Moore, a natural person residing in the state of Texas. Timothy H. Moore may be served with process by first class mail at his usual place of abode or place where he regularly conducts business at 313 Stonebridge Drive, Rockwall, TX 75087.

66. Gerald L. Myer, a natural person residing in the state of Washington. Gerald L. Myer may be served with process by first class mail at his usual place of abode or place where he regularly conducts business at 33017 48th Avenue SW, Federal Way, WA 98023.
67. Michael Niemann, a natural person residing in the state of Kansas. Michael Niemann may be served with process by first class mail at his usual place of abode or place where he regularly conducts business at 14105 W. 72nd Street, Shawnee, KS 66216.
68. Julie Wakeman, a natural person residing in the state of Kansas. Julie Wakeman may be served with process by first class mail at her usual place of abode or place where she regularly conducts business at 14105 W. 72nd Street, Shawnee, KS 66216.
69. Ronald R. Oberle, a natural person residing in the state of Arizona. Robert R. Oberle may be served with process by first class mail at his usual place of abode or place where he regularly conducts business at 30525 Fort Apache, Congress, AZ 85332.
70. Thomas Partridge, a natural person residing in the state of Texas. Thomas Partridge may be served with process by first class mail at his usual place of abode or place where he regularly conducts business at 199 CR 1747, Clifton, TX 76634.
71. Lois Partridge, a natural person residing in the state of Texas. Lois Partridge may be served with process by first class mail at her usual place of abode or place where she regularly conducts business at 199 CR 1747, Clifton, TX 76634.
72. Pettis Oil & Gas LLC, is a Texas limited liability company which may be served with process through Marcia Pettis, Registered Agent and Director, by first class mail at her usual place of abode or place where she regularly conducts business at 3140 Brookhollow Court, Prosper, TX 75078-0529.
73. The George F. Phelps Revocable Living Trust, is a Nebraska trust which may be served with process through its trustee George Phelps, Trustee, by first class mail at his usual place of abode or place where he regularly conducts business at 1200 Crescent Drive, Wayne, NE 68787.
74. Jay Pond, a natural person residing in the state of Texas. Jay Pond may be served with process by first class mail at his usual place of abode or place where he regularly conducts business at 2729 Antero Drive, Arlington, TX 76006.

75. Margaret A. Propst, a natural person residing in the state of Texas. Margaret A. Propst may be served with process by first class mail at her usual place of abode or place where she regularly conducts business at 6709 Yolanda Drive, Fort Worth, TX 76112.
76. The Propst Family Trust, is a Texas trust which may be served with process through its trustee Donald E. Propst, Trustee by first class mail at his usual place of abode or place where he regularly conducts business at 6709 Yolanda Drive, Fort Worth, TX 76112 and/or at 8924 Mahan Drive, Fort Worth, TX 76116.
77. The Radcliff Living Trust, Dated 7/24/2013, is an Arizona trust which may be served with process through trustees Jerry M. Radcliff and Joan K. Radcliff, Trustees, by first class mail at their usual place of abode or place where they regularly conduct business at 5595 Thatch Circle, Prescott, AZ 86305.
78. Sharolyn N. Richardson, a natural person residing in the state of Texas. Sharolyn N. Richardson may be served with process by first class mail at her usual place of abode or place where she regularly conducts business at 8003 Turkey Trail, Benbrook, TX 76126.
79. Richard R. Rector, a natural person residing in the state of Texas. Richard R. Rector may be served with process by first class mail at his usual place of abode or place where he regularly conducts business at 5813 Wales Avenue, Fort Worth, TX 76133.
80. Sue C. Rector, a natural person residing in the state of Texas. Sue C. Rector may be served with process by first class mail at her usual place of abode or place where she regularly conducts business at 5813 Wales Avenue, Fort Worth, TX 76133.
81. Riverstone Resources, Ltd., is a Texas limited company which may be served with process through Keith Jackson, Registered Agent, by first class mail at his usual place of abode or place where he regularly conducts business at 2591 Dallas Parkway, Ste. 300, Frisco, TX 75034.
82. Rose Sobel Revocable Trust DTD 9/21/95, is a Florida trust, which may be served with process through Richard H. Sobel, Michael H. Sobel and Herbert M. Sobel, Trustees, 7765 Yardley Drive E, #111, Tamarac, FL 33321 and at 7410 Center Bay Dr., North Bay Village, FL 33141.
83. Kelly Dean Sanders, a natural person residing in the state of Texas. Kelly Dean Sanders may be served with process by first class mail at his usual place of abode or place where he regularly conducts business at 3602 Vista Chase Court, Arlington, TX 76001.

84. Janys Schroeder, a natural person residing in the state of Iowa. Janys Schroeder may be served with process by first class mail at her usual place of abode or place where she regularly conducts business at 39356 260th Street, Kingsley, IA 51028.
85. Raymond A. Smith, a natural person residing in the state of Idaho. Raymond A. Smith may be served with process by first class mail at his usual place of abode or place where he regularly conducts business at 623 E. River Quarry Court, Eagle, ID 83616.
86. Janet S. Smith, a natural person residing in the state of Idaho. Janet S. Smith may be served with process by first class mail at her usual place of abode or place where she regularly conducts business at 623 E. River Quarry Court, Eagle, ID 83616.
87. William Dax Symonds, a natural person residing in the state of Texas. William Dax Symonds may be served with process by first class mail at his usual place of abode or place where he regularly conducts business at 9541 Marbella Drive, Fort Worth, TX 76126.
88. The Swift Revocable Qualified Spousal Trust DTD 02/20/2013, is a Missouri trust which may be served with process through its trustee Mary Ann Swift, Trustee, by first class mail at their usual place of abode or place where they regularly conduct business at 200 N. Matteson Avenue, Republic, MO 65738.
89. Charles L. Terry, a natural person residing in the state of Texas. Charles L. Terry may be served with process by first class mail at his usual place of abode or place where he regularly conducts business at 8903 Madewood Court, Granbury, TX 76049.
90. Katherine G. Terry, a natural person residing in the state of Texas. Katherine G. Terry may be served with process by first class mail at her usual place of abode or place where she regularly conducts business at 8903 Madewood Court, Granbury, TX 76049.
91. Trewitt Living Trust, is a Texas trust which may be served with process through its trustees Mark A. Trewitt and Romalyn S. Trewitt, Trustees, by first class mail at their usual place of abode or place where they regularly conduct business at 4017 Messina Drive, Plano, TX 75093
92. Wailua LLC, is an Arizona limited liability company which can be served with process through Denise M. Potempa, Registered Agent, by first class mail at her usual place of abode or place where she regularly conducts business at 10865 E. San Salvador, Scottsdale, AZ 85259.

93. The Waggoner Family Revocable Living Trust, is a Missouri trust which may be served with process through trustees Ronald Waggoner and Cheryl Waggoner, Trustees, by first class mail at their usual place of abode or place where they regularly conduct business at 834 Doubletree Lane, Springfield, MO 65810.
94. Jimmie R. Walker, a natural person residing in the state of Texas. Jimmie R. Walker may be served with process by first class mail at his usual place of abode or place where he regularly conducts business at 289 Hillcrest Dr., Stephenville, TX 76401.
95. Judith Watkins, a natural person residing in the state of Texas. Judith Watkins may be served with process by first class mail at her usual place of abode or place where she regularly conducts business at 3004 Steeplechase Trail, Arlington, TX 76016.
96. George L. Weaver, a natural person residing in the state of Texas. George L. Weaver may be served with process by first class mail at his usual place of abode or place where he regularly conducts business at 11225 Northview, Aledo, TX 76008.
97. Peter Wettenstein, a natural person residing in the state of Arizona. Peter Wettenstein may be served with process by first class mail at his usual place of abode or place where he regularly conducts business at 5325 E. Kathleen Road, Scottsdale, AZ 85254.
98. Bill Whelpley, a natural person residing in the state of Texas. Bill Whelpley may be served with process by first class mail at his usual place of abode or place where he regularly conduct business at 308 Martel Court, Coppell, TX 75019.
99. Joann Whelpley, a natural persons residing in the state of Texas. Joann Whelpley may be served with process by first class mail at her usual place of abode or place where she regularly conducts business at 308 Martel Court, Coppell, TX 75019.
100. Steven Wiesenfeld, a natural person residing in the state of Connecticut. Steven Wiesenfeld may be served with process by first class mail at his usual place of abode or place where he regularly conducts business at 66 Chester Road, Easton, CT 06612.
101. Carolyn Wiesenfeld, a natural person residing in the state of Connecticut. Carolyn Wiesenfeld may be served with process by first class mail at her usual place of abode or place where she regularly conducts business at 66 Chester Road, Easton, CT 06612.

102. Wildflower LLC, an Arizona limited liability company which may be served with process through Prem C. Kumar, Registered Agent, by first class mail at his usual place of abode or place where he regularly conduct business at 817 E. San Angelo Avenue, Gilbert, AZ 85234.
103. Jeffrey D. Wilshire, a natural person residing in the state of Texas. Jeffrey D. Wilshire may be served with process by first class mail at his usual place of abode or place where he regularly conducts business at 4001 Kenosha Road, Plano, TX 75024.
104. Wise Family Trust is a Texas trust which can be served with process through its trustee Lucile Sims Wise, Trustee by first class mail at her usual place of abode or place where she regularly conducts business at 3600 Wosley Drive, Fort Worth, TX 76133.
105. Peili Wu, a natural person residing in the state of Texas. Peili Wu may be served with process by first class mail at his usual place of abode or place where he regularly conducts business at 3108 Regal Drive, Arlington, TX 76016.
106. David J. Zawisha, a natural person residing in the state of Connecticut. David J. Zawisha may be served with process by first class mail at his usual place of abode or place where he regularly conducts business at 4009 Congress Street, Fairfield, CT 06824.
107. Laddie L. Zimmet, a natural person residing in the state of Texas. Laddie L. Zimmet may be served with process by first class mail at his usual place of abode or place where he regularly conducts business at 5101 FM 1187, Burleson, TX 76028.

5. 3 Well MGP, LLC ("3 Well MGP"), also a defendant and general partner of the Partnership Debtor, is a Nevada limited liability company which may be served with process through Melissa Hopson, Registered Agent, by first class mail at 4645 Carmar Drive, Las Vegas, NV 89122.

6. Payson Petroleum Grayson, LLC ("PPG LLC"), also a defendant and general partner of the Partnership Debtor, is a Texas limited liability company which may be served with process through Matthew Griffin, Registered Agent, by first class mail at 2652 FM 407 E, Suite 205, Bartonville, TX 76226.

IV. Background Facts

7. Partnership Formed. On October 3, 2013, William C. Griffin filed the Partnership Debtor's Certificate of Limited Partnership with the Texas Secretary of State.

8. According to the Partnership Debtor's books and records, the Partnership Debtor provided each GP Defendant with a Confidential Private Placement Memorandum (the "PPM"), which contained information regarding the purpose and nature of the Partnership Debtor before the GP Defendants elected to purchase general partnership interests in the Partnership Debtor. Among other things, the PPM explained that:

- "Purchasers of Units hereunder will become General Partners or Limited Partners ... in the Partnership;"
- "The Partnership will acquire well bore rights in the form of oil and gas assignments on leases ... located in Grayson County, Texas, and the partnership expects to drill three oil and gas wells ... on the Leases and to operate the Wells once in production;"
- "[s]ubscriptions for Units will only be accepted from accredited investors ...;"
- "subscribers must represent that they have the ability to bear the economic risk of the investment for an indefinite period of time;"
- **"INVESTORS WHO ELECT TO BECOME GENERAL PARTNERS MAY BE SUBJECT TO UNLIMITED LIABILITY FOR THE PARTNERSHIP'S OBLIGATIONS TO THE EXTENT SUCH LIABILITIES ARE NOT SATISFIED OUT OF INSURANCE PROCEEDS OR ASSETS OF THE PARTNERSHIP;"**
- "If you invest in the Partnership as [a] General Partner, then you will have unlimited liability regarding the Partnership's activities. This means that, if:
 - (a) the Partnership's insurance proceeds from any source;
 - (b) the Managing General Partner's indemnification of you and the other General Partners; and
 - (c) the Partnership's assets;

are not sufficient to satisfy a Partnership liability for which you and the other General Partners were also liable, solely because of your status as general partners of the

Partnership, then the Managing General Partner would require you and the other General Partners to make additional capital contributions to the Partnership to satisfy the particular liability. In addition, you and the other General Partners will have joint and several liability, which means, generally, that a person with a claim against the Partnership may sue all or any one or more of the Partnership's general partners, including you, for the entire amount of the liability;"

- "Subscribers electing to purchase GP Units will be personally liable, jointly and severally with other GP Unitholders and Payson Grayson, LLC, for all Partnership and Program obligations;" and
- "As long as they do not otherwise limit their liability, the GP Unitholders will qualify for the working interest exception to the passive activity loss rules under the Code, enabling them to apply their tax deductions from the Partnership against their active income from other sources."

9. The Partnership Debtor's Agreement of Limited Partnership (the "Partnership Agreement") explains that the Partnership Debtor was formed to "engage in all phases of the natural gas and oil business" including "without limitation, exploration for, development and production of natural gas and oil" The Partnership Agreement further provides that:

- "Execution of a Subscription Agreement shall serve as an agreement by the Participant to be bound by each and every term of this Agreement;" and
- "Investor General Partners are liable jointly and severally for all liabilities and obligations of the Partnership."

10. Each GP Defendant executed a Subscription Agreement under which they (i) subscribed for a certain number of units in the Partnership Debtor and (ii) elected to invest as a "General Partner" as opposed to a "Limited Partner." By signing the Subscription Agreement, each GP Defendant represented and warranted, *inter alia*, that:

- It was an "accredited investor ... as that term is defined in the [PPM], is financially responsible, able to meet his obligations and acknowledges that this investment will be long term, must be held indefinitely and by its nature speculative;" and
- it had received the PPM and "carefully has reviewed the same."

11. Each GP Defendant also executed a document entitled “Signature Page” of “Agreement of Limited Partnership of Payson Petroleum 3 Well, LP,” which provides, *inter alia*, that (i) “[b]y executing this signature page you agree to the representations, warranties and agreements found in the [Partnership Agreement]” and (ii) “undersigned acknowledges that he understands the risks of exploration and development of Oil and Gas Properties and has read and agrees to the terms of the [PPM] and [Partnership Agreement].”

12. Each GP Defendant further executed a “Purchaser Suitability Questionnaire” which (i) includes certain personal and financial information regarding the GP Defendant, (ii) indicates the types of investments the GP Defendant had previously participated in, (iii) contains representations regarding whether the GP Defendant had invested in oil and gas programs in the past, would have “an attorney, accountant, investment advisor or other consultant review this investment,” was capable of evaluating the investment merits and risks and was able to bear the attendant financial risks, and understood that “oil & gas investments are risky.”

13. Partnership Files Chapter 7. On January 31, 2017, Partnership Debtor initiated Bankruptcy Case No. 17-40179 by filing its voluntary petition under chapter 7. 3 Well MGP identified itself as a “managing general partner” of the Partnership Debtor on the voluntary bankruptcy petition. Christopher Moser was appointed as chapter 7 trustee (the “Partnership Debtor Trustee”).

14. Deficiency of Assets to Pay Allowed Claims. After exhausting all known estate assets to pay allowed claims in the Partnership Debtor’s bankruptcy case, the Partnership Debtor Trustee estimates that Partnership Debtor will be unable to satisfy \$8,483,040.24 in allowed claims (the “Deficiency”). The Deficiency arises from, *inter alia*, the allowed claim awarded to Payson Petroleum, Inc. in the *Agreed Final Judgment* entered in Adversary Proceeding No. 16-04106,

styled as *Jason R. Searcy, Chapter 11 Trustee v. Payson Petroleum 3 Well, L.P. & Payson Petroleum 3 Well 2014, L.P.* wherein the Court found, *inter alia*, that:

Payson Petroleum 3 Well, L.P. ('3 Well LP') owes Payson Petroleum, Inc. ('Payson Petroleum') the sum of EIGHT MILLION FIVE HUNDRED FIFTY-SEVEN THOUSAND EIGHT HUNDRED EIGHTY-EIGHT AND 50/100 U.S. DOLLARS (\$8,557,888.50) under that certain October 10, 2013 Subscription Turn Key Agreement between 3 Well LP and Payson Petroleum

Docket No. 31 in Adv. Pro. No. 16-04106.

V.
Cause of Action

15. The Trustee incorporates all preceding paragraphs as if fully re-alleged herein.

16. Section 723(a). Section 723(a) of the United States Bankruptcy Code, entitled “Rights of partnership trustee against general partners,” provides that:

If there is a deficiency of property of the estate to pay in full all claims which are allowed in a case under this chapter concerning a partnership and with respect to which a general partner of the partnership is personally liable, the trustee shall have a claim against such general partner to the extent that under applicable nonbankruptcy law such general partner is personally liable for such deficiency.

11 U.S.C. § 723(a).

17. Deficiency Exists. After exhausting known estate assets, the Partnership Debtor Trustee estimates that Partnership Debtor will be unable to satisfy the Deficiency of not less than \$8,483,040.24 in allowed claims against Partnership Debtor’s bankruptcy estate.

18. General Partners’ Joint & Several Liability. The GP Defendants, 3 Well MGP, and PPG LLC, are general partners of the Partnership Debtor. Each GP Defendant, 3 Well MGP, and PPG LLC are jointly and severally liable for the Partnership Debtor’s Deficiency under Section 723(a) of the United States Bankruptcy Code, the Partnership Agreement, and Texas partnership law.

VI.
Prayer

WHEREFORE, the Trustee requests the Court (i) enter judgment against each GP Defendant, 3 Well MGP, and PPG LLC, jointly and severally, in the amount \$8,483,040.24 with such liability continuing until all allowed claims in Payson Petroleum 3 Well, LP's bankruptcy case are paid in full and (ii) grant the Trustee such other and further relief as the Court deems just and proper.

Respectfully submitted,

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